

TORONTO STOCK EXCHANGE

FILING STATEMENT No. 458.
ACCEPTED FOR FILING, JULY 25th. 1960.

PONDER OILS LTD.

Full corporate name of Company
Incorporated June 15, 1951 by Memorandum and Articles of Association
under the provisions of The Companies Act, Province of Alberta.
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

Reference is made to previous
Filing Statement No. 340.

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

THE EXCHANGE HAS NEITHER APPROVED NOR DISAPPROVED THE INFORMATION CONTAINED IN THIS FILING STATEMENT, WHICH IS A
REPRODUCTION OF THE ORIGINAL FILED WITH THE EXCHANGE BY THE COMPANY AND IS ISSUED FOR INFORMATION PURPOSES ONLY.

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	Acquisition by the Company of all issued and outstanding shares of Universal Printers Ltd. (hereinafter called "Universal"), a Manitoba company carrying on the business of printing in the City of Winnipeg. The Company has issued to Universal 8,334 Preferred shares with a par value of \$100. each, and has received the sum of \$800,000. cash. Universal has entered into a management agreement with Graphic Management & Investments Ltd. (hereinafter called "Graphic") whereby Graphic will for the period from 1st May 1960 to 31st December 1961 and thereafter from year to year, provide Universal with management, plant supervision and administrative services and control of its printing business, at an annual remuneration of \$100,000. plus additional remuneration equal to 10% of the first \$475,000. of net profits of Universal earned during each calendar year, and 20% of such net profits in excess of \$475,000. Particulars relating to the acquisition by the Company of the shares of Universal, and the management agreement between Universal and Graphic, are set forth in Schedule "A" annexed to the within Filing Statement. The Company will undertake to obtain specific approval of its shareholders, at the next meeting thereof, to both the acquisition of the shares of Universal and to the said management agreement between Universal and Graphic.
2. Head office address and any other office address.	806 Lancaster Building, Calgary, Alberta.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	Chairman of the Board: Oliver H. Payne, 70 Pine Street, New York - Attorney President and Director: W. L. Falconer, 806 Lancaster Bldg., Calgary - Managing Director & President, Ponder Oils Ltd., 1951 to present: Exec. Vice-President & President, Amurex Oil Company, 1955 to June 1958. Secretary: H. F. Cain, 300 Bentall Bldg., Calgary - Solicitor Treasurer, Ass't Secretary and Director: Donnie Clay, 806 Lancaster Bldg., Calgary - Secretary Ass't Treasurer, Ass't Secretary and Director: Lydia S. Walsh, 70 Pine Street, New York - Secretary Director: Geo. R. Gibson, 505 Midland National Bank Bldg., Midland, Texas - Geological Consultant
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: 4,000,000 Common shares with a par value of 50¢ each; 15,000 - 6% Cumulative Redeemable Preferred shares with par value \$100. each. Outstanding: 2,605,700 Common shares as fully paid and non-assessable; 8,334 - 6% Cum. Red. Pref. shares issued and outstanding as fully paid.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	The Company has hypothecated to The Royal Bank of Canada, to secure advances of \$485,000, two short-term notes with a face value totalling \$800,000, and 8,000 Common shares of Universal Printers Ltd., being all of the issued shares of that company.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	None.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	None.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	Ponder's wholly-owned subsidiary, Discovery Inc., (a Delaware corporation licensed to do business in Texas, Arizona and Colorado) has during the last four months acquired approximately 1,000 acres of petroleum and natural gas leases in Martin County, Texas. This land now has production on two sides and it is proposed to drill a well prior to November 1960. The following are details of the dates, names of vendor and prices at which these properties were acquired: a) On Feb. 28, 1960 Discovery Inc. acquired a P. & N. G. Lease of Section 28, Block 36, Township 1-S, T. & P. Ry. Co. Survey, Martin Co., Texas, from H. L. Harrison of Midland, Texas, for \$9,600.00. b) On March 21, 1960 Discovery Inc. acquired a P. & N. G. Lease of N.W. 1/4 Section 27 in the above mentioned Block, Township and Survey, from H. L. Harrison of Midland, Texas for \$2,400.00. c) On May 12, 1960 Discovery Inc. acquired a P. & N. G. Lease of S.E. 1/4 Section 21 in the above mentioned Block, Township and Survey from H. L. Harrison of Midland, Texas, for \$4,000.00. In addition to the above oil properties, Ponder has as collateral security for short-term Notes an assignment of 90% of the production runs on 600 bbls. per day of oil in Colorado. Upon payment of the said Notes, Ponder will receive an assignment of a 25% working interest in these properties.

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Schedule "A" to Filing Statement of
PONDER OILS LTD.
dated 18th day of July 1960

By agreement dated 26th April 1960 (hereinafter called "the Purchase Agreement") made between Frank Simkin, David Simkin, Saul Simkin, Ruben Simkin, Morrie Ostrow, Stanley Buchanan and Jennie Buchanan of the City of Winnipeg, Manitoba, as Vendors, and the Company as Purchaser, the Company purchased all of the 8,000 issued and outstanding shares of Universal Printers Ltd. (hereinafter called "Universal"), a Manitoba company carrying on the printing business at the City of Winnipeg. The consideration for the purchase of all of the said shares was the sum of \$1,800,000. payable in cash. It was a term of the Purchase Agreement that the Vendors would purchase from Universal for cash the following assets:

- a) Shares of Superior Envelopes Ltd. for \$25,000. in cash;
- b) Three Automobiles for \$4,448.80 in cash;
- c) Israeli Bonds for \$2,940.60

all of which have been acquired and the consideration paid to Universal.

In order to finance the purchase, the Company borrowed from the Royal Bank of Canada the sum of \$1,325,000. and hypothecated to the said Bank as security for the loan two short-term Notes with a face value of \$800,000. and the 8,000 issued and outstanding shares of Universal. In addition the Company sold securities to the amount of \$428,000. for the purpose of providing part of the balance of the purchase price.

Subsequent to the purchase the Company created 15,000 - 6% Cumulative Redeemable Preferred shares of the par value of \$100. each, and Universal has purchased from the Company 8,334 Preferred shares of the par value of \$100. each as fully paid and non-assessable for the sum of \$800,000. in cash. The Company has received the said sum of \$800,000. and has applied it in reduction of its bank loan as aforesaid.

Since the purchase of the Universal shares the Company has paid to the said Bank the sum of \$50,000., thereby reducing the bank loan to the sum of \$475,000.

As a term of the Purchase Agreement, Universal has entered into a Management Agreement with Graphic Management & Investments Ltd. (hereinafter called "Graphic") whereby Graphic will, for the period 1st May 1960 to 31st December 1961 and thereafter from year to year, provide Universal with management, plant supervision and administrative services and control of its printing business. The personnel to be provided by Graphic shall consist of Frank Simkin, David Simkin, Saul Simkin, Ruben Simkin, Morrie Ostrow and Stanley Buchanan; so that no change whatever in actual management of Universal will arise as a result of its purchase by the Company.

The remuneration payable to Graphic consists of:

- a) An annual cash payment of \$100,000. per year;
- b) Additional remuneration equal to 10% of the first \$475,000. of net profits of Universal earned during each calendar year, and 20% of such net profits in excess of \$475,000.

Universal may at any time terminate the Management Agreement on giving thirty days' notice of such termination. Graphic may, after 1st July 1961, terminate the said Management Agreement on giving Universal six months' notice of termination. After any termination the individuals providing the services for Graphic are prohibited from competing with Universal in the printing business in Canada for a term of ten years.

(Note - Copies of Agreements are on file with the Exchange)

Schedule "B" to Filing Statement of PONDER OILS LTD.
dated 18th day of July, 1960.

Prior to the purchase by the Company of all of the shares of Universal Printers Ltd., the Company held the following securities; which securities have been disposed of through registered investment dealers in Canada and the United States for the amounts hereinafter set forth;

<u>Securities</u>	<u>Selling Price</u>
\$400,000 Missouri Pacific RR. 5% Income Debentures	\$ 222,953. (Can.)
1,000 Barber Oil Corp'n. shares	55,000. (Can.)
2,000 Ventures Ltd. shares	46,880. (Can.)
\$100,000 Alberta Wheat Pool Note	103,598. (Can.)
	\$ 428,431.

This amount, together with cash on hand of \$47,000. constituted the cash payment of \$475,000. made by the Company on the purchase of the Universal Printers Ltd. shares, which, together with the loan of \$1,325,000. from the Royal Bank of Canada made up the full purchase price of \$1,800,000.

FINANCIAL STATEMENTS

POMER OILS LTD.

BALANCE SHEET
As at March 31, 1960

ASSETS

Cash on Hand and in Banks
Accounts Receivable
Marketable Securities - at Cost
Notes Receivable
Sundry Deposits
Investment in and Advances to Subsidiary Company:
Investment
Advances

Fixed Assets - at Cost:
Automobile
Less Accumulated Depreciation
Furniture and Fixtures
Less Accumulated Depreciation
Deferred Charges
Organization Expense

\$ 4,657.95
1,235.95
3,235.67
785.81

\$ 955.63
261,941.48

262,897.11

\$ 12,891.89

4,282.95

218,890.45

380,230.67

692.20

Due to Bank - Loan

Accounts Payable

Accrued Interest

Capital Stock and Deficit:

Capital Stock:

Authorized:

4,000,000 Shares of a Nominal or Par Value

of 50¢ each

Issued and Fully Paid:

2,605,700 Shares

Deficit:

Balance August 31, 1959

Add Net Loss for Period

\$ 442,583.29
3,746.64

5,871.86

1,670.96

4,785.68

Approved on Behalf of the Board:

W. L. Falconer
"W.L. Falconer" Director

W. L. Falconer
"W.L. Falconer" Director

\$ 892,213.77

LIABILITIES

\$ 32,420.86

2,827.84

445.00

Income

Expenses:

Administration

Operating

Depreciation

\$ 13,230.51
7,526.77
1,074.69

\$ 17,885.33

Net Loss for Period

\$ 3,746.64

\$ 2,000,000.00

1,302,850.00

856,220.07

446,329.93

\$ 892,213.77

UNIVERSAL PRINTERS LTD.

WINNIPEG, MANITOBA

BALANCE SHEET

AS AT DECEMBER 31st, 1952

ASSETS

Current:
Cash on Hand
Cash in Bank
Deposits - 91 Day Bank Notes
Accounts Receivable
Employees' Loans' Receivable
State of Israel Bonds - Cost
Merchandise Inventory

Investments - Cost:

Fixed:

Land
Building
Furniture and Fixtures
Machinery and Equipment
Type and Metal
Automobiles and Trucks
Leasehold Improvements

Other Assets:
Prepaid Rent
Deposit on Tender

Cost Accumulated Depreciation Book Value

\$ 200.00 \$ 962.92 \$ 200.00
2,800.00 4,924.92 1,837.08
6,461.45 368,592.31 1,536.53
478,587.86 27,179.73 109,995.55
28,722.30 38,588.72 1,542.57
54,022.15 5,746.02 15,433.43
8,228.72 \$445,994.69 2,462.63
\$579,002.48 \$133,007.79

\$ 16,800.00
100.00

LIABILITIES

Current:

\$ 225.00
261,385.15
115,000.00
114,839.12
7,026.17
2,940.60
20,475.00
\$521,891.04

207,901.66

CAPITAL STOCK AND SURPLUS

Capital Stock:

Issued and Fully Paid:
8,000 Shares Par Value \$5.00 each

\$ 40,000.00

Earned Surplus:

(As per Schedule)

684,065.85 724,065.85

\$879,700.49

Certified in terms of our report dated February 19th, 1960.

Carl P. H. H. H.

Chartered Accountants

Approved on behalf of the board of directors.

Director

Director

UNIVERSAL PRINTERS LTD.

WINNIPEG, MANITOBA

SCHEDULE OF EARNED SURPLUS

AS AT AND FOR THE YEAR ENDED DECEMBER 31st, 1959

<u>Balance - December 31st, 1958</u>		\$535,626.65
<u>Add:</u> Capital Gains on Sale of Debentures	\$ 8,086.46	
Capital Gain on Sale of Machinery fully Depreciated prior to 1949	2,250.00	
Net Profit for Year	<u>140,397.71</u>	<u>150,734.17</u>
		\$686,360.82
<u>Deduct:</u> Adjustment of Undepreciated Capital Cost to agree with Taxation Department Balances	\$ 1,535.26	
Election Under Section 105(1) Distributed to Shareholders	645.75	
Tax Paid re Election Under Section 105(1)	<u>113.96</u>	<u>2,294.97</u>
<u>Balance - December 31st, 1959</u>		<u>\$684,065.85</u>

UNIVERSAL PRINTERS LTD.

WINNIPEG, MANITOBA

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED DECEMBER 31st, 1959

<u>Sales:</u>		\$1,763,706.39
<u>Cost of Goods Sold:</u>		
Merchandise Inventory, December 31st, 1958	\$ 20,198.50	
Merchandise Purchases	691,015.08	
Wages	<u>361,015.77</u>	
	\$1,072,229.35	
<u>Less:</u> Merchandise Inventory, December 31st, 1959	<u>20,475.00</u>	<u>1,051,754.35</u>
<u>Gross Profit on Sales:</u>		\$ 711,952.04
<u>Other Income:</u>		
Interest Received		<u>19,220.64</u>
<u>Gross Profit</u>		\$ 731,172.68
<u>Overhead Expenses:</u>		
(As per Schedule)		<u>428,969.29</u>
<u>Net Profit on Operations:</u>		\$ 302,203.39
<u>Capital Cost Allowances:</u>		
(As per Schedule)		<u>35,907.98</u>
<u>Net Profit for Year - Before Income Taxes</u>		\$ 266,295.41
<u>Estimated Income Taxes</u>		<u>125,897.70</u>
<u>Net Profit for Year - (To Earned Surplus)</u>		<u>\$ 140,397.71</u>

UNIVERSAL PRINTERS LTD.

WINNIPEG, MANITOBA

SCHEDULE OF OVERHEAD EXPENSES

FOR THE YEAR ENDED DECEMBER 31st, 1959

Advertising		\$ 1,472.48
Autos, Trucks and Carfare Expenses		6,846.82
Bad Debts Written Off	\$9,194.98	
Less: Bad Debts Recovered	<u>1,000.00</u>	8,194.98
Building Maintenance and Repairs		7,052.94
Business Tax		1,615.00
Commissions		49,223.87
Delivery		7,949.04
Donations		9,560.00
Employees' Group Insurance and Medical Plan		2,241.81
Insurance		11,892.34
Interest and Exchange		817.98
Legal and Audit Expense		2,750.00
Light, Power and Water		9,179.49
Mess Service		265.98
Pension Fund Expense		7,536.00
Plant Maintenance		23,607.99
Postage		515.60
Rents		24,300.00
Salaries		227,547.00
Storage and Handling		1,185.59
Sundry Expenses		14,064.63
Telephone and Telegraph		3,101.51
Travel Expense		5,057.30
Unemployment Insurance		2,595.78
Workmen's Compensation		<u>395.16</u>

Total - (To Statement of Profit and Loss) \$428,969.29

UNIVERSAL PRINTERS LTD.

WINNIPEG, MANITOBA

SCHEDULE OF FIXED ASSETS AND CAPITAL COST ALLOWANCES

AS AT AND FOR THE YEAR ENDED DECEMBER 31st, 1959

	Undepreciated Capital Cost Dec. 31st, 1958	Additions	Disposals	Balances Before Allowances	Capital Cost Allowances	Undepreciated Capital Cost Dec. 31st, 1959
Land	\$ 200.00	\$	\$	\$ 200.00	\$	\$ 200.00
<u>Class 6 - 10%</u>						
Building	2,041.20			2,041.20	204.12	1,837.08
<u>Class 8 - 20%</u>						
Office Furniture & Lighting Fixtures	1,617.23	303.43		1,920.66	384.13	1,536.53
Machinery & Equipment	124,534.97	12,959.47		137,494.44	27,498.89	109,995.55
Type and Metal	1,928.21			1,928.21	385.64	1,542.57
<u>Class 10 - 30%</u>						
Automobiles & Trucks	15,704.76	7,943.00	1,600.00	22,047.76	6,614.33	15,433.43
<u>Leasehold Improvements</u> (Cost \$8,208.72)	<u>3,283.50</u>			<u>3,283.50</u>	<u>820.87</u>	<u>2,462.63</u>
	<u>\$149,309.87</u>	<u>\$21,205.90</u>	<u>\$1,600.00</u>	<u>\$168,915.77</u>		
<u>To Statement of Profit and Loss</u>					<u>\$35,907.98</u>	
<u>To Balance Sheet</u>						<u>\$133,007.79</u>

February 19th, 1960

President and Shareholders,
Universal Printers Ltd.,
165 Salkirk Avenue,
Winnipeg 4, Manitoba.

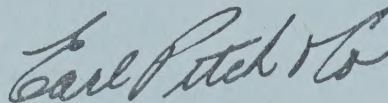
Dear Sirs:

In accordance with your instructions, we have examined the books and records of the Universal Printers Ltd., for the year ended December 31st, 1959 and submit herewith the following:

- (1) Balance Sheet as at December 31st, 1959.
- (2) Schedule of Earned Surplus as at December 31st, 1959.
- (3) Statement of Profit and Loss for the year ended December 31st, 1959.
- (4) Schedule of Overhead Expenses for the year ended December 31st, 1959.
- (5) Schedule of Capital Cost Allowances for the year ended December 31st, 1959.

We have received all the information and explanations which we have required and in our opinion, the accompanying Balance Sheet, Statement of Earned Surplus and Statement of Profit and Loss are properly drawn up so as to exhibit a true and correct view of the state of the affairs of your company as at December 31st, 1959 and results of its operations for the year ended on that date, according to information and explanations given to us and as shown by the books of the company.

Yours faithfully,



Chartered Accountants.

UNIVERSAL PRINTERS LTD.

STATEMENT OF EARNINGS
For the Five Years ended December 31, 1959

	Net Operating Profit after Adjustment of Management Costs to Conform with Management Agreement dated May 31, 1960	Provision for Depreciation	Net Income before Providing for Income Taxes	Provision for Income Taxes	Net Income
1955	\$ 188,257	35,210	153,047	66,532	86,515
1956	221,901	39,644	182,257	80,261	101,996
1957	290,184	41,016	249,168	111,709	137,459
1958	379,109	38,977	340,132	153,112	187,020
1959	490,703	35,907	454,796	220,148	234,648

10. Brief statement of company's chief development work during past year.	The Company has examined some 20 oil and 10 mining properties, at an approximate cost of \$50,000 in total. No acquisitions, other than the leases referred to in Item 9, were made as a result of these examinations.										
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	All of the 8,000 issued and outstanding Common shares of Universal Printers Ltd. were purchased from: Frank Simkin, David Simkin, Saul Simkin, Ruben Simkin, Morrie Ostrow, Stanley Buchanan and Jennie Buchanan, all of 165 Selkirk Ave. East, Winnipeg, Man., at a price of \$1,800,000 which has been paid by the Company in cash.										
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Frank Simkin, David Simkin, Saul Simkin, Ruben Simkin, Morrie Ostrow, Stanley Buchanan, Jennie Buchanan - all of 165 Selkirk Ave. East, Winnipeg, Man.										
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None.										
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	None.										
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<table> <tr> <td>Oliver H. Payne, 70 Pine Street, New York -</td> <td>537,450 shares</td> </tr> <tr> <td>W. L. Falconer, 806 Lancaster Bldg., Calgary -</td> <td>283,751 "</td> </tr> <tr> <td>Parrish & Co., 40 Wall Street, New York -</td> <td>156,150 "</td> </tr> <tr> <td>Morton & Co., c/o Marine Midland Trust Co. of New York, 120 Broadway, New York -</td> <td>125,044 "</td> </tr> <tr> <td>*Bansco & Co., 44 King St. West, Toronto -</td> <td>74,875 "</td> </tr> </table> * - It is believed that Bansco & Co. are nominees for other parties; however the Company has no knowledge or means of knowledge as to the beneficial owners.	Oliver H. Payne, 70 Pine Street, New York -	537,450 shares	W. L. Falconer, 806 Lancaster Bldg., Calgary -	283,751 "	Parrish & Co., 40 Wall Street, New York -	156,150 "	Morton & Co., c/o Marine Midland Trust Co. of New York, 120 Broadway, New York -	125,044 "	*Bansco & Co., 44 King St. West, Toronto -	74,875 "
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Morton & Co., c/o Marine Midland Trust Co. of New York, 120 Broadway, New York -	125,044 "										
*Bansco & Co., 44 King St. West, Toronto -	74,875 "										
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Oliver H. Payne, 70 Pine Street, New York W. L. Falconer, 806 Lancaster Bldg., Calgary										
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	Discovery, Inc. - \$1,000.00 (at cost) Universal Printers Ltd. - \$1,800,000. (at cost) both being wholly-owned subsidiaries.										
18. Brief statement of any lawsuits pending or in process against company or its properties.	None.										
19. Statement of any other material facts and if none, so state.	The securities referred to in Schedule "B" have been disposed of by the Company, for the considerations therein set forth, and the proceeds thereof have been used by the Company in connection with the acquisition of all of the shares of Universal Printers Ltd.										

CERTIFICATE OF THE COMPANY

DATED 18th July 1960

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"W.L. Falconer"

"D. Clay"

PONDER OTIS LTD.

CORPORATE
SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)